



LABOR & PUBLIC EMPLOYEES COMMITTEE – MARCH 3, 2022

TESTIMONY OF KEN GIRARDIN, DIRECTOR OF POLICY & RESEARCH

SB 210 - AN ACT CONCERNING TECHNICAL & OTHER CHANGES TO THE LABOR DEPT STATUTE

The state Labor Department's proposal to repeal §31-77 is wholly inappropriate, and comes after DOL has faced questioning for failing to perform a function established by the General Assembly.

The law, among other things, requires public employee unions to share an annual financial report with members similar to what members would be guaranteed to receive if they worked in the private sector. The full text is below.

The law performs three key functions:

- requiring the union to give each member an annual report, based on either U.S. Labor Department or Internal Revenue Service standards;
- requiring DOL to keep a copy on file for inspection by union members; and
- allowing DOL to audit a union if impropriety is suspected by its members.

The first version of this legislation was signed into law by Governor Abraham Ribicoff shortly after embezzlement and other abuses by the International Brotherhood of Teamsters were exposed in congressional hearings under questioning by future U.S. Attorney General Robert F. Kennedy. The law, which originally covered both public- and private-sector union members, was adopted with support from organized labor. The law was amended in 1961 to exempt private-sector unions, which were covered by federal disclosure requirements in 1959.

Connecticut's law is not unique. Other states, including [Hawaii](#) (by many measures the country's most unionized), have adopted similar rules to deter misconduct. It is especially necessary because the General Assembly, through its collective-bargaining laws, requires state agencies and local governments to collect and remit union dues. That makes state government responsible for ensuring the millions of dollars in dues collected each year go to the intended recipient and purpose.

Union members, including teachers, last year contacted Yankee Institute on multiple occasions when they were unable to obtain records to which they were otherwise entitled under the law.

There appear to be major gaps between what the Labor Department has been doing and what the agency was supposed to be doing.

§31-77 is an important statute that, properly enforced, has the potential to curb criminal behavior and protect rank-and-file union members from having their dues stolen—something that has affected thousands of Connecticut public employees in recent years. Union members working in places ranging from the [Cheshire police department](#) to [Region 18 schools](#) to the [state prison system](#), and others, have had officers steal from them over the past eight years. One town police union official was charged in 2012 with stealing over \$180,000 from members. While some locals are affiliated with larger unions and must comply with internal annual reporting rules, many are not. This has created an environment that requires careful attention by the General Assembly. Proper enforcement of §31-77 may have allowed members to discover these crimes sooner or prevented them from happening in the first place.

Just across the border, there have been notable reminders about why this law matters: the head of the NYPD sergeants union (the country's fifth-largest police union) was arrested last month on allegations he [stole over \\$1 million](#) from his union over four years. New York doesn't have reporting requirements, and the matter did not become widely known to members until the FBI raided the union's office. Teachers in the Auburn school district, outside Syracuse, didn't learn that their local president had [stolen close to \\$800,000](#) from them until after she died.

DOL's request to repeal §31-77 should be viewed with skepticism. It wasn't doing an important job, and now it wants the General Assembly to eliminate that job.

Labor Commissioner Bartolomeo last month made remarks suggesting she has an incomplete understanding of the statute's purpose, calling it "redundant" with respect to federal reporting rules. Those rules, however, don't apply to people working in state or local government agencies. DOL also described the law as "obsolete" which would come as a surprise to the hundreds of Connecticut labor unions which file identical reports with the federal government. The agency's claim that it lacks authority to enforce the law is also improper, seeing as then-Attorney General Joe Lieberman in 1984 issued an opinion that explicitly affirmed the labor commissioner's powers to audit unions under the law.ⁱ

§31-77 should not be repealed. It should be enforced as the General Assembly intended.

Sec. 31-77. Annual reports. As used in this section, “labor organization” means any organization or association or any agency or employee representation committee or plan which exists for the purpose, in whole or part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work, or any federation or council located in this state representing any group of such labor organizations. Except for labor organizations subject to the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (Public Law 86-267), each labor organization functioning in the state and having twenty-five or more members in any calendar or fiscal year shall, annually, within three months after the end of the calendar or fiscal year used as the basis for such report, file with the Labor Commissioner and make available to its membership a written report either in the form required by Public Law 86-267 or the Internal Revenue Code. Such report shall be filed and transmitted by the treasurer or other chief financial officer of such labor organization and shall be verified by the oath of the treasurer or other chief financial officer filing such report and copies of such report shall be furnished to individual members at the regular or special meeting of the labor organization at which such report is presented and shall be available during the year following the year covered by the report at the labor organization's office during regular business hours and upon request of any member. Reports under the provisions of this section shall not be open to public inspection except that any person may examine the report of any labor organization of which he is a member, and except that the state may audit any such report so filed at the written request of any member and shall transmit to any such member and the labor organization which submitted the report the results of any such audit. The treasurer or other chief financial officer of any labor organization or any other individual charged with the filing of such reports who fails to comply with the provisions of this section shall forfeit to the state twenty-five dollars for each such failure. The Labor Commissioner may destroy any report filed under the provisions of this section after such report has been on file two years.

ⁱ Opinion 84-68, Office of the Attorney General, June 15, 1984